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April 29, 2010

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APR 30 2010

Jeff D. Cline **Public Service Commission** P.O. Box 615 Frankfort, KY 40602-0615

PUBLIC SERVICE COMMISSION

Dear Mr. Cline:

Enclosed is an original notarized copy of Big Rivers Electric Corporation's 2009 Financial and Statistical Report (Annual Report) pursuant to Public Service Commission (PSC) Regulation 807 KAR 5:006, Section 3(1), and Kentucky Revised Statute KRS 278.230(3). This report has also been submitted electronically via the PSC's internetbased data collection system. A copy of Big Rivers' 2009 Audit Report is being provided in conjunction with this filing.

In addition, pursuant to PSC Order dated October 7, 2005, the annual filing of information relating to Administrative Case 387 is enclosed herewith.

If you have any questions, please feel free to contact either Ralph Ashworth or me.

Sincerely,

BIG RIVERS ELECTRIC CORPORATION

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Mark A. Hite

Vice President of Accounting

jab

Enclosure

cc: Mark Bailey

C. William Blackburn

Albert Yockey

Ralph Ashworth

Donna Windhaus

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PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A REVIEW OF THE ADEQUACY OF)	
KENTUCKY'S GENERATION CAPACITY)	ADMINISTRATIVE
AND TRANSMISSION SYSTEM)	CASE NO. 387

PETITION OF BIG RIVERS ELECTRIC CORPORATION FOR CONFIDENTIAL PROTECTION

- 1. Big Rivers Electric Corporation ("Big Rivers") hereby petitions the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:001 Section 7 and KRS 61.878(1)(c), to grant confidential protection to part of its response to Item 11 of the supplement to its annual report filed with this petition. The information contained in the response to Item 11 that Big Rivers seeks to protect is a list of scheduled outages from 2010 through 2014 (the "Confidential Information").
- 2. One (1) sealed copy of the response to Item 11 with the Confidential Information highlighted and ten (10) copies of the response with the Confidential Information redacted are filed with this Petition. 807 KAR 5:001 Sections 7(2)(a)(2), 7(2)(b).
- 3. A copy of this petition and a copy of the redacted response have been served on all parties. 807 KAR 5:001 Section 7(2)(c).
- 4. If and to the extent that the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Big Rivers will notify the Commission and have its confidential status removed. 807 KAR 5:001 Section 7(9)(a).

- 5. As discussed below, the Confidential Information is entitled to confidential protection based upon KRS 61.878(1)(c)(1), which protects "records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records." KRS 61.878(1)(c)(1).
- 6. Big Rivers competes in the wholesale power market to sell energy excess to its Members' needs, and public disclosure of the Confidential Information will give an unfair commercial advantage to Big Rivers' competitors and will impair Big Rivers' ability to compete in the wholesale power market.
- 7. The Confidential Information is the type of information that is generally recognized as confidential or proprietary under Kentucky law. The Confidential Information is a list of Big Rivers' scheduled outages from 2010 through 2014. Public disclosure of the Confidential Information would allow Big Rivers' competitors to know when Big Rivers' generating plants will be down for maintenance and thus know a crucial input into Big Rivers' generating costs and need for power and energy during those periods. With that information, potential suppliers to Big Rivers will be able to manipulate the price of power bid to Big Rivers in order to maximize their revenues, thereby causing higher prices for Big Rivers, its members, and the members' retail customers, and giving a commercial advantage to Big Rivers' competitors.
- 8. Public disclosure of the Confidential Information will also enable prospective purchasers of Big Rivers' power supply in the wholesale market to manipulate the bidding process to the detriment of Big Rivers, impairing Big Rivers' ability to get the best price for its off-system sales during its scheduled outages.

9. Additionally, the Commission has granted confidential protection to this type of information when provided by other utilities. *See, e.g.*, letter from the Commission dated June 9, 2008, in this proceeding, granting confidential protections to Kentucky Utilities Company's response to Item 11 in its supplement to its 2008 annual report.

10. The Confidential Information is not publicly available, is not disseminated within Big Rivers except to those employees and professionals with a legitimate business need to know and act upon the information, and is not disseminated to others without a legitimate need to know and act upon the information.

11. Based on the foregoing, the Confidential Information is entitled to confidential protection. If the Commission disagrees that Big Rivers is entitled to confidential protection, due process requires the Commission to hold an evidentiary hearing. *Utility Regulatory Com'n v. Kentucky Water Service Co., Inc.*, 642 S.W.2d 591 (Ky. App. 1982).

WHEREFORE, Big Rivers respectfully requests that the Commission classify and protect as confidential the Confidential Information filed with this petition.

On this the 29^{th} day of April, 2010.

James M. Miller
Tyson Kamuf

Sullivan, Mountjoy, Stainback

& Miller, P.S.C.

100 St. Ann Street

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COUNSEL FOR BIG RIVERS ELECTRIC CORPORATION

ANNUAL REPORT PURSUANT TO THE COMMISSION'S ORDER DATED OCTOBER 7, 2005 IN 1 ADMINISTRATIVE CASE NO. 2000-00387 April 30, 2010 2 3 RECEIVED 4 Item 1-G 5 Item 2-G APR 3 0 2010 Item 5-G 6 PUBLIC SERVICE 7 Item 9-G COMMISSION 8 Item 10-G 9 The information originally requested in the above Items of Appendix G of 10 Response) 11 the Commission's Order dated December 20, 2001, in Administrative Case No. 387, is no longer required pursuant to the Commission's Order of March 29, 2004, amending the 12 previous Order. 13 14 15 Witness) Michael J. Mattox 16 17 18 19 20 21 22 23 24 25 26 27 28

SUPPLEMENT TO BIG RIVERS ELECTRIC CORPORATION'S

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Actual and weather-normalized monthly coincident peak demands for the

Item 3-G) just completed calendar year. Demands should be disaggregated into (a) native load demand (firm and non-firm) and (b) off-system demand (firm and non-firm).

 Witness)

Table 3-G shows the actual and weather normalized native load demand Response) and the off-system coincident demand for 2009. Since energy provided by Big Rivers to Kenergy for resale to the Alcan and Century aluminum smelters, is not considered native load to the Big Rivers system, but remains on the Big Rivers' system, it has been disaggregated separately. Big Rivers sells its surplus power into the market and therefore the off-system sales cannot be weather normalized.

Michael J. Mattox

TABLE # 3G

BIG RIVERS ELECTRIC CORPORATION

TOTAL NATIVE LOAD & OFF-SYSTEM COINCIDENT PEAK DEMANDS (MW)

Off-System Sales	Off-System Demand		Non-Firm	42	96	123	210	217	35	62	146	166	25	23	120
Off-Syst	Off-Syster		Firm	0	0	0	0	0	0	0	0	0	0	0	0
Smelter Load	Smelter Demand		Actual/Firm	0	0	0	0	0	0	0	969	704	719	730	731
Native Load	All Firm Peak Demand	Weather	Normalized	624	569	538	435	486	9/5	639	626	619	480	518	644
Nativ	AII Peak [Actual	673	547	544	442	443	611	260	604	514	430	464	266
•		· :	Month	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09

Note: Big Rivers off-system sales are market blocks of power. Therefore, the off-system sales cannot be weather normalized.

Smelter demand for January 1, 2009 through July 16, 2009 was not served by Big Rivers, but was provided by Kenergy and the wholesale supplier was generally LG&E Energy Marketing.

Starting July 17, 2009 Smelter Load is served under wholesale contracts with Kenergy and is not weather sensitive.

Smelter Load/Demand and Off-Sytem Demand are at the time of the Native Load Peak.

 Witness)

Item 4-G) Load shape curves that show actual peak demands and weathernormalized peak demands (native load demand and total demand) on a monthly basis for the just completed calendar year.

Response) Graph 4-G shows the monthly native load demand with the monthly weather normalized native load demand for 2009. The total curve represents the native load demand plus Alcan and Century aluminum smelters load plus any actual off-system sales at the time of the native load peak.

Michael J. Mattox

Graph #4G

BIG RIVERS ELECTRIC CORPORATION

Dec Nov oct Sep NATIVE LOAD AND TOTAL COINCIDENT PEAK DEMANDS (MW) - 2009 Aug Ju Jun May Apr Mar Feb Jan 715 ── Native Demand —⊞— Total Demand

Item 4-G Page 2 of 2

energy forecasts and high case demand and energy forecasts for the current year and the

following four years. The information should be disaggregated into (a) native load (firm

and non-firm demand) and (b) off-system load (both firm and non-firm demand).

Based on the most recent demand forecast, the base case demand and

Item 6-G)

Response) Table 6-G tabulates the forecasted base case and high case demand and energy in the associated demand breakdowns as requested. Since energy provided by Big Rivers to Kenergy for resale to the Alcan and Century aluminum smelters is not considered native load to the Big Rivers system, but remains on the Big Rivers' system, it has been disaggregated separately. Big Rivers does not have any off-system load demand.

Witness) Michael J. Mattox

TABLE # 6G

BIG RIVERS ELECTRIC CORPORATION

TOTAL NATIVE LOAD & OFF-SYSTEM LOADS
BASE & HIGH CASE FORECASTS

•		Native Load	Load		Sm	Smelter		Off-System L	Off-System Load Demand	
	Bast	Base Case	High	Case	Base/H	Base/High Case	Base	Base Case	Hig	High Case
Year	Demand (MW)	Energy (MWh)	Demand (MW)	Energy (MWh)	Demand (MW)	Demand Energy (MW) (MWh)	FIRM N Demand (MW)	NON-FIRM Demand (MW)	FIRM Demand (MW)	NON-FIRM Demand (MW)
2010	641	3,402,682	669	3,501,368	850	7,297,080	0	0	0	0
2011	648	3,437,181	202	3,536,759	850	7,297,080	0	0	0	0
2012	655	3.471.646	714	3,572,132	850	7,297,080	0	0	0	0
2013	661	3,502,829	720	3,605,103	850	7,297,080	0	0	0	0
2014	899	3,538,605	728	3,657,194	850	7,297,080	0	0	0	0

percentage of demand. If changed from what was in use in 2001, include a detailed

The target reserve margin currently used for planning purposes, stated as a

Item 7-G)

explanation for the change.

Response) During 2001 and until July 17, 2009 Big Rivers' native load was supplied with Liquidated Damages (LD) firm power from LG&E Energy Marketing and firm power from the Southeastern Power Administration. Because of this, Big Rivers had no formal planning reserve margin. On July 17, 2009 upon close of the "Unwind Transaction" Big Rivers regained operational control of its units and no longer receives LD firm power from LG&E Energy Marketing. As part of the Integrated Resource Plan that is currently being prepared for filing with the Kentucky Public Service Commission in November 2010, Big Rivers intends to use a planning reserve margin of 15% as recommended by the Federal Energy Regulatory Commission for utilities that have

Witness) Michael J. Mattox

primarily thermal based systems.

SUPPLEMENT TO BIG RIVERS ELECTRIC CORPORATION'S ANNUAL REPORT PURSUANT TO THE COMMISSION'S ORDER DATED OCTOBER 7, 2005 IN

ADMINISTRATIVE CASE NO. 2000-00387 April 30, 2010

Item 8-G) Projected reserve margins stated in megawatts and as a percentage of demand for the current year and the following 4 years. Identify projected deficits and current plans for addressing these. For each year identify the level of firm capacity purchases projected to meet native load demand.

Response) Presently a force majeure event has been declared by SEPA (Southeastern Power Administration) due to dam safety issues at Wolf Creek and Center Hill dams on the Cumberland System. Currently SEPA is providing energy only on a run-of-the-river-schedule. The termination of the force majeure event and the ability for Big Rivers to resume scheduling SEPA power is currently projected to occur by the summer of 2013. Big Rivers has no firm capacity purchases projected to meet the 15% reserve margin for 2010 through restoration of the SEPA schedule as shown in Table 1.

		Tabl	e 1	
Year	Reserve Margin (MW)	Reserve Margin (%)	Firm Capacity Purchases (MW)	Projected Deficit w/15% Reserve Margin(MW)
2010	134	8%	0	110
2011	122	8%	0	121
2012	110	7%	0	132
2013	277	15%	178	0
2014	270	15%	178	0

However, Table 2 depicts the reserve margins with SEPA at the contract capacity of 178 MW for 2010 thru 2014.

SUPPLEMENT TO BIG RIVERS ELECTRIC CORPORATION'S ANNUAL REPORT PURSUANT TO THE COMMISSION'S ORDER DATED OCTOBER 7, 2005 IN ADMINISTRATIVE CASE NO. 2000-00387 April 30, 2010

Table 2					
Year	Reserve Margin (MW)	Reserve Margin (%)	Firm Capacity Purchases (MW)	Projected Deficit w/15% Reserve Margin(MW)	
2010	312	17%	178	0	
2011	300	17%	178	0	
2012	288	16%	178	0	
2013	277	15%	178	0	
2014	270	15%	178	0	

Witness) Michael J. Mattox

ANNUAL REPORT PURSUANT TO THE COMMISSION'S ORDER DATED OCTOBER 7, 2005 IN ADMINISTRATIVE CASE NO. 2000-00387 April 30, 2010 A list that identifies scheduled outages or retirements of generating capacity during the current year and the following four years. Response) There are no retirements of generating capacity anticipated through 2014. The planned maintenance outage schedule for 2010 through 2014 is being provided pursuant to a Petition for Confidential Protection. The schedule is regularly modified based on actual operating conditions, forced outages, changes in the schedule required to meet environmental regulation compliance, fluctuation in wholesale prices, and other unforeseen events that may affect unit reliability or generation capacity. **REDACTED** The scheduled outages for all units are listed below: REDACTED

SUPPLEMENT TO BIG RIVERS ELECTRIC CORPORATION'S

REDACTED

REDACTED

Witness) Lawrence V. Baronowsky

Item 11-G Page 3 of 3

load requirements over the next 10 years. Show the expected in-service date, size and

affiliates, if constructed in Kentucky or intended to meet load in Kentucky.

additions to meet native load requirements for the years 2011 through 2020.

Michael J. Mattox

site for all planned additions. Include additions planned by the utility, as well as those by

Identify all planned base load or peaking capacity additions to meet native

Big Rivers presently has no plans to make base load or peaking capacity

Item 12-G)

Response)

Witness)

Item 12-G Page 1 of 1

Item 13-G)

system.

system.

a) Total energy received from all interconnections and generation sources connected to the transmission system.

year and the forecast for the current year and the following four years:

b) Total energy delivered to all interconnections on the transmission

The following transmission energy data for the just completed calendar

- c) Peak load capacity of the transmission system.
- d) Peak demand for summer and winter seasons on the transmission

Response) The attached four tables list the Big Rivers' transmission system energy, capacity, and demand responses.

Witness) David G. Crockett, P.E.

Big Rivers Electric Corporation Response to Item 13a

Transmission System Energy Received (MWh)

	Generation	Interconnections	<u>Total</u>
2009	10,467,473	4,510,494	14,977,967
	Projected S	System Energy Re	ceived (MWh)
2010			16,000,000
2011			16,000,000
2012			16,000,000
2013			16,000,000

Big Rivers Electric Corporation Response to Item 13b

Transmission System Energy Delivered at Interconnections (MWh)

<u>Total</u> 4,913,767
nterconnection (MWh)
5,000,000
5,000,000
5,000,000

2013

5,000,000

Big Rivers Electric Corporation Response to Item 13c

Transmission Peak Capacity (MW)

2009 2435

Projected Transmission Peak Capacity (MW)

2010	2435
2011	2903
2012	2903
2013	2903

Big Rivers Electric Corporation Response to Item 13d

Transmission System Peak Demand (MW)

	Winter	Summer
2009	1565	1505

Projected System Peak Demand (MW)

	<u>Winter</u>	Summer
2010	1600	1550
2011	1600	1550
2012	1600	1550
2013	1600	1550

Identify all planned transmission capacity additions for the next 10 years.

Item 14-G)

Witness)

Response) The attached table lists Big Rivers' current ten-year transmission capacity addition plan. All the projects in this plan are for the purpose of meeting our three member cooperatives' load growth and if load patterns deviate from the current forecast, the plan will be correspondingly altered.

Include the expected in-service date, size and site for all planned additions and identify

David G. Crockett, P.E.

the transmission need each addition is intended to address.

BIG RIVERS ELECTRIC TRANSMISSION CAPACITY ADDITIONS, 2010 – 2019

Project Description

Notes

Year: 2010

Re-conductor Coleman-Newtonville 161 kV Line (3miles) Re-conductor CEHV-Coleman 161 kV Lines (3 miles) Falls of Rough - McDaniels 69 kV Line (6 miles)

Up-grading infrastructure to meet system load growth Increase off-system import/export capability Increase off-system import/export capability

Year: 2011

Page 2 of 4

White Oak Substation & Transmission Line Additions (50MVA) Re-conductor Wilson tie – Paradise 161 kV Line (8miles) Wilson To Hardinsburg – Paradise 161 kV line (13 miles) Paradise 161 kV line Terminal Upgrade Wilson 161 kV line Terminal Item 14-G

Up-grading infrastructure to meet system load growth ncrease off-system import/export capability Increase off-system import/export capability ncrease off-system import/export capability ncrease off-system import/export capability

Year: 2012

Re-Conductor Meade Co. -Garrett 336 MCM (8.5 miles) Cumberland – Caldwell Springs 69 kV line (10 miles) Wilson - Centertown 69 kV Line Addition (6 miles) Wilson Substation 161/69 kV 50 MVA TX Addition Co-op Substation 69 kV Line (3 miles) Hancock Capacitor Bank Addition

Up-grading infrastructure to meet system load growth Member Substation tap line and metering

BIG RIVERS ELECTRIC TRANSMISSION CAPACITY ADDITIONS, 2010 - 2019

Project Description

Notes

Year: 2013

Co-op Substation 69 kV Line (3 miles) Upgrade Pleasant Ridge to Centertown 69 kV Line (15.9 miles) Garrett to Flaherty Tap 69 kV Line Addition (3 miles)

Member Substation tap line and metering Up-grading infrastructure to meet system load growth Up-grading infrastructure to meet system load growth

Year: 2014
Co-op Substation 69 kV Line (2 miles)

Member Substation tap line and metering Up-grading infrastructure to meet system load growth

Year: 2015

Sebree Capacitor Bank

Co-op Substation 69 kV Line (2miles) Corydon 161/69 kV Substation (50 MVA) HMP&L #4 161 kV Line Terminal Corydon-HMP&L #4 161 kV Line (9 miles)

Member Substation tap line and metering New Substation to meet system load growth Transmission Line to connect new Substation Transmission Line to connect new Substation

Year: 2016

Co-op Substation 69 kV Line (2 miles) Bryan Road – Husband Rd. Tap Re-conductor 336 MCM (1m)

Member Substation tap line and metering Up-grading infrastructure to meet system load growth

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BIG RIVERS ELECTRIC TRANSMISSION CAPACITY ADDITIONS, 2010 - 2019

Project Description

Notes

Year: 2017

Co-op Substation 69 kV Line (2 miles)
Re-Conductor Reid – Niagara with 336 MCH (6 miles)
Re-Conductor Rome Jct.-W.Owensboro with 336 MCM(4.9 miles)
Hardinsburg Transformer Upgrades (100 MVA)

Member Substation tap line and metering Up-grading infrastructure to meet system load growth Up-grading infrastructure to meet system load growth Up-grading infrastructure to meet system load growth

Year: 2018

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Re-Conductor Henderson Co. – Zion tap with 556 MCM (1.6 miles) Re-Conductor Zion Tap - Wolf Hills Tap 556 MCM (1.2 miles) Re-Conductor Corydon-Geneva to 336 MCM (6.1 miles) Co-op Substation 69 kV line (2 miles)

 Up-grading infrastructure to meet system load growth Up-grading infrastructure to meet system load growth Member Substation tap line and metering Up-grading infrastructure to meet system load growth

Year: 2019

Wilson – Sacramento 69 kV Line (10.9 miles)
Re-Conductor Thruston Jct.-E. Owensboro with 336 MCM (3.5 miles)
Re-Conductor Daviess Co. Philpot Tap with 336 MCM (9.9 miles)
Custer Substation and Transmission Line Additions (50 MVA)

Up-grading infrastructure to meet system load growth Up-grading infrastructure to meet system load growth Up-grading infrastructure to meet system load growth Up-grading infrastructure to meet system load growth